

April 10, 2002
PMX# 235-1896-054

Mr. Paul Roning
BRC Inc.
Post Office Box 2330
Buckley, Washington 98321

Re: Contract Cost Adjustments - Sesko Nuisance Abatement Project

Dear Paul:

Per our earlier discussions, the City of Bremerton and Parametrix have reviewed the changes in condition associated with the Sesko Nuisance Abatement Project and are proposing the following cost adjustments to the contract. Please review these proposed changes and provide a written response that either accepts or presents clear rationale for an alternative modification. The changes are all related to the bid prices submitted by BRC for Basic Bid Items A and B as described in the Contract Specifications.

- 1) BRC submitted a subtotal for basic bid item A of \$94,970. This included a base bid of \$138,970, a hazardous waste testing of value of \$1,000, and a salvage credit of \$45,000. The City and Parametrix recognize that changes to the inventory adversely impacted the salvage credit. We also recognize your ability to remove the remaining inventory was hindered by delays caused by no fault of BRC. It is also recognized, however, that a lesser volume of material was removed by BRC, resulting in a lower level of effort for BRC to complete this work.

Based on these conditions, the City and Parametrix recommend the base-bid of \$138,970 remain unchanged and that salvage credit be based on actual salvage receipts provided by BRC. To date, we calculate the salvage credit at \$24,176. Additional salvage credit will be recovered during the final removal actions that are scheduled to occur following a court decision on the Sesko's appeal.

- 2) BRC submitted a subtotal for basic bid item B of \$51,584. This included a base bid of \$70,834, a hazardous waste testing value of \$750, and a salvage credit of \$20,000. The City and Parametrix recognize that changes to the inventory adversely impacted the salvage credit. It is also recognized, however, that a significantly lesser volume of material was removed by BRC in order to complete this work.

Based on these conditions, the City and Parametrix recommend the base-bid of \$70,834 be reduced by \$28,458 dollars. Because none of the materials removed from the site by BRC provided salvage value, the salvage credit identified for basic bid item B will be adjusted to zero.

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Please note that these changes are based on the conditions of the project and the contract provision in place as of March 15, 2002. Should conditions change between March 15, 2002 and completion of the project, the cost adjustments may be reviewed and revised.

If you have any questions or require additional information or services, please contact me at (360) 850-5305.

Sincerely
PARAMETRIX, INC.

Peter Battuello
Project Manager

cc: Project File
Janet Lunceford
Ken Brown